

Biennial Progress Report for Texas Economic Development Act

Form 50-773 (May 2010)

<p>Instructions:</p> <ul style="list-style-type: none"> This form must be filled out by each applicant that is party to a limitation agreement. If the original application was made by a group of two or more companies, each company must complete this form. If the original applicant split into two or more applicants after the original agreement, all current agreement holders must complete this form. Applicants should only complete the information for their years as an agreement holder, noting what year they were formed after the original agreement was approved. Each agreement holder should respond as a current applicant on Line 9 below. Applicants should report their proportionate share of required employment and investment information. If the original applicant is still the only agreement holder, please do not complete Lines 31 and 32 below. <p><i>In addition to the Biennial Progress Report required from each applicant that is a party to an agreement, a separate Biennial Progress Report summarizing the combined applicant's data for the entire agreement must be completed.</i></p> <ul style="list-style-type: none"> If one of the applicants cannot provide this information, a summarization report must be completed by the school district. 	<ul style="list-style-type: none"> Projects spanning more than one school district must complete forms for each school district. Please return signed hard copy forms and electronic spreadsheets to the school district before May 15 of each even-numbered year. <p>Note:</p> <ul style="list-style-type: none"> The school district that is a party to the Chapter 313 agreement is collecting the data required by Chapter 313.008 on this form for the Comptroller of Public Accounts (CPA). The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an <i>unsigned electronic version</i> and a <i>signed hard copy version</i> of the spreadsheet (with any attachments) to the district. Please contact CPA if you have questions about the form. The spreadsheet version of this form can be downloaded at: www.window.state.tx.us/taxinfo/proptax/hb1200/index.html. After ensuring that all forms are complete, the school district will forward that data to the CPA for inclusion in a statutorily required report to the Texas Legislature.
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1	Name of school district	O'Donnell ISD
2	Name of CAD appraising the qualified property in this school district	Lynn County
3	Name of project on original application (or short description of facility)	
4	Name of applicant on original application	WindTex Energy Stephens, LLC
5	Date original application filed with school district	16-Aug-11
6	Name of company entering into original agreement with district	WindTex Energy Stephens, LLC
7	Date original limitation agreement approved by school district	14-Nov-11
8	Date of final signing of agreement (if different from board approval date)	14-Nov-11
9	Name of current agreement holder(s)	WindTex Energy Stephens, LLC
10	Complete mailing address of current agreement holder	10000 North Central Expressway, Suite 900, Dallas, Texas 75231
11	Name of company contact person for agreement holder	Steven DeWolf
12	Title of company contact person	Manager
13	Phone number of company contact person	214.615.4207
14	E-mail address of company contact person	sdewolf@tds-law.com
15	Texas franchise tax ID number of current agreement holder:	32034592389
16	If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity.	
17	NAICS Code of current agreement holder (6 Digit):	221119
18	Name of authorized company representative (if different from above):	same
19	Title of authorized company representative (if different from above):	same
20	Phone of authorized company representative (if different from above):	same
21	E-mail of authorized company representative (if different from above):	same
22	Complete mailing address of authorized company representative (if different from above):	same
23	First (complete) year of Qualifying Time Period - after the date the application is approved. See Tax Code §313.021(4):	2012
24	First year of property value limitation (generally the third complete year of the agreement):	2014
25	Original Limitation Amount (for entire agreement):	\$10 Million
26	Amount of qualified investment during the qualifying time period the recipient committed to spend or allocate for this project on application (Not Total Investment):	224,966,000
27	Date of construction commencement (estimate if in the future):	Jun-12
28	Date construction completed (actual or estimate if in the future):	Dec-13
29	Has the description of the qualified property changed from that in the application? If so, please describe on an attachment how the actual qualified property - for which you are providing actual and estimated market values on subsequent pages - differs from that property described in the agreement. Include only property located in this school district.	Agreement is in the process of being amended to include additional qualified property. Draft copies of schedules A through D are attached.
30	What was the number of permanent existing jobs at this facility prior to application?	0
31	If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.)	n/a
32	If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. (Use attachments if necessary.)	n/a
33	If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), please provide the definition of "new job" as used in the agreement. (Use attachments if needed.)	n/a

Form continues on second tab

District Name O'Donnell ISD
Company Name Wind Tex Energy-Stephens, LLC

Biennial Progress Report for Texas Economic Development Act

Project Name

Form 50-773

1st Yr. of Qualifying Time Period

2012

		Qualifying Time Period			Limitation Period							
		From application approval date to Jan. 1 of next tax year ¹	Year 1 (First Complete Tax Year)	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Please enter tax years (YYYY) here (starting in "Year 1")--			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
34	Number of qualifying jobs ² applicant committed to create on application (cumulative)**		5	5	5	5	5	5	5	5	5	5
35	Number of qualifying jobs ² applicant actually created (cumulative)**		5	8	11	11	11	11	11	11	11	11
36	Number of new jobs ² created (cumulative)**		5	10	13	13	13	13	13	13	13	13
37	Number of new jobs ² created that provide health benefits for employees (cumulative)**		5	10	13	13	13	13	13	13	13	13
38	Median annual wage of new jobs each applicant created**		\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089
39	Average annual wage of new jobs each applicant created**		\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089	\$37,089
40	Total investment for this project (per year or time period, not cumulative) ³	\$ -	\$90,000,000	\$244,900,000								
41	Amount of qualified investment applicant actually spent or allocated for this project ³ (per year or time period, not cumulative)** (See also Note #1.)	\$ -	\$90,000,000	\$244,900,000								
42	Market value of qualified property on January 1 before any exemptions ⁴		0	\$81,000,000	\$295,740,000	\$275,038,200	\$255,785,500	\$237,880,500	\$221,228,900	\$205,742,900	\$191,340,900	\$177,947,000
43	Market value of qualified property (amount shown in #42) less any exemptions, but before the limitation on value authorized by Tax Code Chapter 313**		\$0	\$81,000,000	\$295,740,000	\$275,038,200	\$255,785,500	\$237,880,500	\$221,228,900	\$205,742,900	\$191,340,900	\$177,947,000
44	Limitation amount in each of years 1-10 ⁵ **				\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
45	Taxable value of qualified property certified by the county appraisal district for the purposes of school M&O taxes**		\$0	\$81,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
46	School District M&O tax rate (per hundred dollars of value)*											
47	School district I&S tax rate (per hundred dollars of value)*											
48	Total school district ad valorem tax levy (M&O and I&S) on qualified property											

* Actual data only. **Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

- Only projects with agreements executed after June 19, 2009 may have any qualified investment between the time of application approval and Jan. 1 of subsequent tax year.
- Jobs meeting all of the requirements of Tax Code §313.021(3). Each qualifying job is a new job that meets the wage standard for that school district, and is covered by a group health benefits plan for which the employer offers to pay at least 80 percent of the employee-only premium. Do not include construction jobs in counts of qualifying jobs.
- For new job definition see TAC §9.1051(14).
- Total investment is all investment at original cost, including land acquired after filing of application. Investments made in one year should be reflected in the subsequent year's market value.
- The investment made during the qualifying time period meeting the requirements of Tax Code §313.021(1). Fill in amounts for the time between the application approval and Jan. 1 of first tax year, Year 1 and Year 2 only. (See also Note #1)
- For all values, use those from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad valorem tax purposes in that year.
- This amount may vary annually for agreements with multiple agreement-holders. Subentities should enter their share of original limitation amount. Limitation amounts of all subentities should sum to that of the original limitation amount originally approved by the school district.

By signing below, I, Steven K. Denolf, certify that I am the authorized representative of Wind Tex Energy, LP, a current agreement holder of a limitation on appraised value, and the contents of this form and the attached documentation are true and correct to the best of my knowledge and belief.

The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an unsigned electronic version and a signed hard copy version of the spreadsheet (with any attachments) to the district.

Authorized Official Sign

Here

Print Name/Title Steven K. Denolf / Principal

Date 5-14-2012

Phone (Area Code and Number) (214) 274-3659

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Schedule A (Rev. May 2010): Investment

Applicant Name

Wind Tex Energy - Stephens, LLC

O'Donnell ISD

AMENDED

Form 50-296

PROPERTY INVESTMENT AMOUNTS
(Estimated investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible		Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
				Personal Property The amount of new investment (original cost) placed in service during this year	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)				
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2011-2012	2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2011-2012	2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	Complete tax years of qualifying time period	1	2012-2013	2012	\$ 90,000,000	\$ -	\$ 90,000,000	\$ -	\$ 90,000,000
		2	2013-2014	2013	\$ 244,750,000	\$ 150,000	\$ 244,900,000.00	\$ -	\$ 244,900,000
		3	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -
		4	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -
		5	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -
		6	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
		7	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
		8	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
		9	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
		10	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
		11	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
		12	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
		13	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -
		14	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
		15	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.02(1)(A)-(D).

For the purposes of investment, please list amount invested each year, not cumulative totals.

For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property.

Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.02(1)(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application,

replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter

those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5-14-2012

DATE

				Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for 1&S - after all reductions	Final taxable value for M&O--after all reductions
	Year	School Year (YYYY-YYYY)	Tax Year (File in actual tax year) YYYY				Exempted Value		
	pre- year 1	2011-2012	2011	\$ -	\$ -	\$ -	-	\$ -	\$ -
	1	2012-2013	2012	\$ -	\$ -	\$ -	-	\$ -	\$ -
	2	2013-2014	2013	\$ -	\$ 81,000,000	\$ -	-	\$ 81,000,000	\$ 81,000,000
	3	2014-2015	2014		\$ 295,740,000	\$ -	-	\$ 295,740,000	\$ 10,000,000
	4	2015-2016	2015		\$ 275,038,200	\$ -	-	\$ 275,038,200	\$ 10,000,000
	5	2016-2017	2016		\$ 255,785,500	\$ -	-	\$ 255,785,500	\$ 10,000,000
	6	2017-2018	2017		\$ 237,880,500	\$ -	-	\$ 237,880,500	\$ 10,000,000
	7	2018-2019	2018		\$ 221,228,900	\$ -	-	\$ 221,228,900	\$ 10,000,000
	8	2019-2020	2019		\$ 205,742,900	\$ -	-	\$ 205,742,900	\$ 10,000,000
	9	2020-2021	2020		\$ 191,340,900	\$ -	-	\$ 191,340,900	\$ 10,000,000
	10	2021-2022	2021		\$ 177,947,000	\$ -	-	\$ 177,947,000	\$ 10,000,000
	11	2022-2023	2022		\$ 165,490,700	\$ -	-	\$ 165,490,700	\$ 165,490,700
	12	2023-2024	2023		\$ 153,906,400	\$ -	-	\$ 153,906,400	\$ 153,906,400
	13	2024-2025	2024		\$ 143,133,000	\$ -	-	\$ 143,133,000	\$ 143,133,000
	14	2025-2026	2025		\$ 133,113,700	\$ -	-	\$ 133,113,700	\$ 133,113,700
	15	2026-2027	2026		\$ 123,795,700	\$ -	-	\$ 123,795,700	\$ 123,795,700

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

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DATE

9/7/2011

Schedule C- Application: Employment Information

Applicant Name
ISD Name

Wind Tex Energy - Stephens, LLC
O'Donnell ISD

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		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
					Column A: Number of Construction FTE's or man- hours (specify FTE)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	Complete tax years of qualifying time period	1	2012-2013	2012	75	\$ 57,000	5	\$ 37,089	5	\$ 37,089
		2	2013-2014	2013	75	\$ 57,000	10	\$ 37,089	8	\$ 37,089
		3	2014-2015	2014	0	\$ -	13	\$ 37,089	11	\$ 37,089
		4	2015-2016	2015	0	\$ -	13	\$ 37,089	11	\$ 37,089
		5	2016-2017	2016	0	\$ -	13	\$ 37,089	11	\$ 37,089
		6	2017-2018	2017	0	\$ -	13	\$ 37,089	11	\$ 37,089
		7	2018-2019	2018	0	\$ -	13	\$ 37,089	11	\$ 37,089
		8	2019-2020	2019	0	\$ -	13	\$ 37,089	11	\$ 37,089
		9	2020-2021	2020	0	\$ -	13	\$ 37,089	11	\$ 37,089
		10	2021-2022	2021	0	\$ -	13	\$ 37,089	11	\$ 37,089
		11	2022-2023	2022	0	\$ -	13	\$ 37,089	11	\$ 37,089
		12	2023-2024	2023	0	\$ -	13	\$ 37,089	11	\$ 37,089
		13	2024-2025	2024	0	\$ -	13	\$ 37,089	11	\$ 37,089
		14	2025-2026	2025	0	\$ -	13	\$ 37,089	11	\$ 37,089
		15	2026-2027	2026	0	\$ -	13	\$ 37,089	11	\$ 37,089

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 5-14-2012

Applicant Name

Wind Tex Energy - Stephens, LLC

Schedule D: (Rev. May 2010): Other Tax Information

O'Donnell ISD

Form 50-296

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AMENDED				Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
				Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other
	Year	School Year (yyyy-yyyy)	Tax/ Calendar Year yyyy	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2011-2012	2011	\$ -	\$ -	\$ -	0%	n/a	n/a	n/a
	Complete tax years of qualifying time period	2012-2013	2012	\$ 5,850,000	\$ 84,150,000	\$ -	0%	n/a	n/a	n/a
		2013-2014	2013	\$ 15,918,500	\$ 228,981,500	\$ 17,000	100%	n/a	n/a	n/a
		2014-2015	2014	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2015-2016	2015	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2016-2017	2016	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	2017-2018	2017	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2018-2019	2018	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2019-2020	2019	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2020-2021	2020	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2021-2022	2021	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
Credit Settle- Up Period	Continue to Maintain Viable Presence	2022-2023	2022	\$ -	\$ -	\$ 17,000	100%	n/a	n/a	n/a
		2023-2024	2023	\$ -	\$ -	\$ 17,000	n/a	n/a	n/a	n/a
		2024-2025	2024	\$ -	\$ -	\$ 17,000	n/a	n/a	n/a	n/a
Post- Settle-Up Period		2025-2026	2025	\$ -	\$ -	\$ 17,000	n/a	n/a	n/a	n/a
Post- Settle-Up Period		2026-2027	2026	\$ -	\$ -	\$ 17,000	n/a	n/a	n/a	n/a

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

5-14-2012